

Message Text

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ORIGIN COME-00

INFO OCT-01 AF-10 EUR-25 ISO-00 SS-20 AID-20 CIAE-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 L-03 /135 R

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APPROVED BY AF/C: HJCOHEN

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P R 072253Z FEB 74

FM SECSTATE WASHDC

TO AMEMBASSY LIBREVILLE PRIORITY

INFO AMEMBASSY PARIS

C O N F I D E N T I A L STATE 026061

E.O. 11652: GDS

TAGS: BEXP, MPD, GB

SUBJECT: TRANSGABON RAILROAD--FNCB (CITICORP) LOAN,
POSSIBLE GM CONTRACT.

REF: A) LIBREVILLE 131

B) STATE (SEPTTEL)

C) LIBREVILLE 157

1. FURTHER TO REF (B), FNCB, NEW YORK, CONTACTED RE
GAVARY COMPLAINT THAT FNCB DELAYING ACTION. FNCB TAKES
SAME POSITION AS LOEB, RHOADES--NAMELY, THAT GABONESE
HAVE NOT YET SUPPLIED REQUIRED INFORMATION ABOUT
SPECIFIC ASSURANCES AS TO OTHER FINANCING FOR TRANSGABON.
ACCORDING TO FNCB THIS INFO FIRMLY PROVIDED FOR IN CONTRACT.
UNTIL IT IS RECEIVED, FNCB WILL NOT ADVANCE ANY FUNDS.

2. FNCB OFFICIAL GREATLY DISPLEASED THAT GAVARY WOULD
TRY USE USG TO GET FNCB TO, IN EFFECT, WAIVE PROVISIONS
LOAN AGREEMENT. THIS SUGGESTS GAVARY WOULD BE ADVISED
TO WORK THROUGH PROPER CHANNELS (I.E., CITICORP, LONDON,
OR FNCB, N.Y. DIRECTLY) TO SORT OUT ANY DIFFERENCES IN
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CONTRACT INTERPRETATION OR IMPLEMENTATION. AT ITS

DISCRETION, EMBASSY SHOULD COMMUNICATE SUBSTANCE
FNCB SUGGESTION GAVARY.

3. GLAIBER OF GM ADVISED SUBSTANCE REF C. HE STATES
GM WILL GIVE NO INFO RE PRICE UNTIL FORMAL TENDER IS IN
HAND DUE TO (1) NEED TO KNOW EXACTLY WHAT SPECS ARE
(SINCE THERE CAN BE NO CERTAINTY BEFORE THAT TIME THAT
THE SPECS CURRENTLY AVAILABLE WILL NOT BE CHANGED) AND
(2) RISK OF GM PRICE QUOTATION BECOMING KNOWN TO
COMPETITION -- CONSIDERATIONS THAT GLAIBER FEELS
COLOMBANI SHOULD BE WELL AWARE OF. GLAIBER PROMISED
HE WILL AT LEAST PHONE COLOMBANI IN PARIS FEB 11 AND
INFORM COMMERCE OF RESULTS. EMBASSY WILL BE ADVISED.

4. GLAIBER STATES EUROPEANS BUILD ALL THEIR
LOCOMOTIVES TO ORDER, TAKING ABOUT 1 1/2 YEARS TO
DELIVER. GM, ON THE OTHER HAND, CAN USUALLY DELIVER
OUT OF STOCK IN 6 OR 7 MONTHS. THIS SHOULD BE AN
IMPORTANT CONSIDERATION IF GABONESE TAKE UP GLAIBER
SUGGESTION THAT THEY WOULD SAVE CONSIDERABLE EXPENSE
BY USING OPERATING LOCOMOTIVES FOR CONSTRUCTION
INSTEAD OF BUYING DIFFERENT ONES FOR RAILROAD
CONSTRUCTION, DISCARDING THEM AFTER COMPLETION
CONSTRUCTION, AND THEN BUYING NEW OPERATING LOCOMOTIVES. RUSH

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